

MANUFACTURING EXTENSION PARTNERSHIP

Success Stories from the Field

Monarch Hydraulics Inc.

Michigan Manufacturing Technology Center

Sharing Resources Lifts Monarch Hydraulics To A New Level

Client Profile:

Monarch Hydraulics, Inc. is one of the oldest continuously run family businesses in the United States. Monarch Hydraulics currently manufactures hydraulic power units mainly for ergonomic, accessibility, hoist, and tailgate applications. Monarch Hydraulics can be found on a diverse array of products, including targets used by the military on tank target practice fields that are too large to be raised and lowered quickly by mechanical means. Headquartered in Grand Rapids, Michigan, the company now has locations in Grand Rapids and Newaygo, Michigan, as well as London and Oakville, Ontario, and Longueuil, Quebec. The company employs less than 250 people.

Situation:

The Jackoboice family, owners of Monarch Hydraulics, heard about the Michigan Manufacturing Technology Center (MMTC), a NIST MEP network affiliate, through their involvement in the local business community. The Jackoboices decided, on request, to help launch the MMTC-West Manufacturers' Council.

Solution:

MMTC's Manufacturers' Council offers participants the opportunity to share ideas and exchange best practices. Monarch Hydraulic's membership in the ongoing Manufacturers' Council has led to its involvement in other MMTC-West programs, including the purchasing, plant management, continuous improvement, lean enterprise, and kaizen surge user groups, in which groups of companies join to share the costs of hiring outside training and consulting expertise. Monarch is also active -- both as a participant and as a host -- in MMTC's Progressive Tours of Best Practice. The knowledge the company gained during its participation in these activities enabled a complete reorganization of its manufacturing process, reduced operating costs, throughput, and inventory, and created the fastest lead times in the industry.

Learning how to work together with other manufacturers has helped the company become a true partner with its own customers. Employees now show customers how to purchase and release orders to smooth out work and cash flow on their end and help save them time and money. The company is also teaching its employees not to always look to management for decisions but to begin making the decisions themselves. Monarch has been very pleased with the results it has gained by increasing trust in its workers. Employees have invested in re-engineering processes and reorganizing the shop floor for better product

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flow, resulting in improved productivity and reduced turnover costs.

Results:

Reorganized manufacturing process to create 35,000 square feet of space.

Reduced operating costs and increased sales per labor-hour by 35 percent.

Increased employee involvement.

Reduced throughput by 50 percent.

Reduced inventory by 22 percent.

Increased speed at which inventory moves through production process by 300 percent.

Generating the shortest lead times in the industry.

Testimonial:

"The Michigan Manufacturing Technology Center's training and consulting is all geared specifically toward smaller manufacturers. I think that is key. At MMTC, they're concentrated on our issues, and they zero right in on what folks from manufacturing plants like ours need to know. They bring in outside resources, and help us stay current with industry and business trends."

John Jackoboice, Chairman